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Agency of Human Services

MEMORANDUM

To: Chairperson Toll and Members of the House Appropriations Committee

From: Ken Schatz, Commissioner 

Subject: SFY 18 BAA and Children's Integrated Services

Date: January 8, 2018

I would like to clarify the Children's Integrated Services (CIS) budget issue related to the DCF/CDD proposed SFY 18 Budget Adjustment Act (BAA) presently before the House Appropriations Committee.

The CIS budget is broken down into two components. First, there are the CIS services that are included in the bundled case rate (listed below). These CIS bundled services have been level funded for several years and consistently spent each year. The SFY 18 budget for those services is \$10,381,239. This aspect of the CIS budget is not changing.

In addition, there are also CIS services not covered by the bundled case rate (also listed below). These services are invoiced to CDD and paid on a fee for service basis. The budget for these services is based on utilization.

| CIS services included in bundled case rate | CIS services paid for outside of the bundle |
|---|---|
| Counseling/psychological | Audiology |
| Family training, counseling and home visits | Developmental/Multidisciplinary Evaluation |
| Nursing | Occupational therapy |
| Nutrition | Physical therapy |
| Service coordination | Speech/language therapy |
| Social work | Transportation |
| Special instruction | Vision |
| | Interpretation (sign language) |

Two years ago, DCF realized there were some discrepancies in the CDD budget between budgeted



amounts and actual expenditures. This led to careful review of all CDD program expenditures and a rebuilding of the CDD budget to accurately reflect actual spending. This process was completed late last fall and we found that we had overbudgeted for the CIS services paid for outside of the bundle. In SFY 18, we had budgeted \$4 million for these services, but a historical analysis showed spending not more than \$3 million (see chart below).

As part of the SFY 18 BAA proposal, we made the necessary budget adjustments to submit a level funded DCF budget which resulted in the \$1 million adjustment to the CIS portion of CDD's budget. We are not changing policy or practice, nor is this a reduction in CIS services. CIS services outside of the bundle will continue to be paid on a fee for service basis.

| State Fiscal Year | Spending on CIS services outside of bundle |
|--------------------------|---|
| 2014 | \$2.54 million |
| 2015 | \$2.63 million |
| 2016 | \$2.98 million |
| 2017 | \$3.03 million |